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FOOD AND AGRICULTURE (19~~5~~ 49) Department.

MS. SERIES.

G.O. No. 875

Dated 2ND SEPTEMBER, 1949.

[Despatch Abstract.]

FOOD PRODUCTION - Intensive Cultivation Schemes - Revised definition, classification and basis of financial assistance for Provincial Intensive Cultivation Schemes - Government of India's letter - Communicated.

GOVERNMENT OF MADRAS.
ABSTRACT.

FOOD PRODUCTION - Intensive Cultivation Schemes - Revised definition, classification and basis of financial assistance for Provincial Intensive Cultivation Schemes - Government of India's letter - Communicated.

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FOOD AND AGRICULTURE DEPARTMENT.

G.O.No.875 Dated 2nd September 1949.

Read--the following papers:-

G.O.Ms.No.6231, Development, dated [illegible] December 1948.
From the Government of India, dated 27th August 1949, No.F.1-5/49-G.M.F.

ORDER:

A copy of the Government of India letter cited together with its enclosures is communicated to the Board of Revenue (Food Production), Director of Agriculture, Registrar of Co-operative Societies, Director of Animal Husbandry, Director of Industries and Commerce, Chief Engineer (Irrigation) and Inspector of Municipal Councils and Local Boards for information and guidance.

2. A copy of the letter is also communicated to the Public Works, Revenue, Firka Development and Finance Departments for information and such action as may be necessary.

The revised classification and definition and basis of financial assistance for Provincial Intensive Cultivation Schemes now communicated by the Government of India supersedes the classification and definition communicated by the Government of India in their letter No.F.5-19/48-G.M.F., dated 3rd December 1948 (vide G.O.Ms.No.6231, Development, dated 16th December 1948).

The pro forma promised by the Government of India in the enclosure to their letter cited will be communicated to all concerned, after receipt.

BY ORDER OF HIS EXCELLENCY THE GOVERNOR.

M.A.KUTTALINGAM PILLAI,
Secretary to Government.

To the Director of Agriculture.
To the Board of Revenue (Food Production).
To the Director of Animal Husbandry.
To the Director of Industries and Commerce.
To the Chief Engineer (Irrigation).
To the Joint Director of Agriculture.
To the Registrar of Co-operative Societies.
To the Public Works Department.
To the Revenue Department.
To the Development Department.
To the Firka Development Department.
To the Finance Department.
To the Regional Food Commissioner, Madras.

Letter from the Deputy Secretary to the Government of India, Ministry of Agriculture, New Delhi, to all Provincial Governments and Local Administrations of Delhi, etc., dated 26th August 1949, No.F.1-5/49-G.M.F.

(Intensive Cultivation Schemes--Revised rules governing financial assistance).

I am directed to forward herewith a copy of the revised rules laying down the definition and classification of intensive cultivation schemes as well as the basis of financial assistance to Provinces for these schemes. This Ministry letter No.F.5-19/48 G.M.F., dated the 3rd December 1948, and subsequent amendments issued from time to time should be treated as cancelled.

2. The rules will take effect from the current year 1949-50 except in cases where the Provincial Government have undertaken irrevocable commitments under the old rules.

REVISED RULES GOVERNING FINANCIAL ASSISTANCE FOR INTENSIVE CULTIVATION SCHEME OF PROVINCE.

Definition and classification. - "Grow More Food" schemes shall hereafter be called "Intensive Cultivation Schemes". The following main types of schemes are eligible for inclusion as Intensive Cultivation Schemes for purposes of financial assistance:-

1. Intensive Cultivation (Works) Schemes--(1) Surface Percolation wells.-- This includes the construction of new wells as well as improvement of old wells. Improvements include shall works as re-excavation, deepening, boring and installations of open and/or small diameter strainer on tubes, and similar works calculated to increase supply of water. They also include the installation of water-lifting appliances designed to increase the efficiency of utilization of water.

(2) Irrigation tube wells.--They include appurtenant plants and machinery necessary for the supply of water, and also distributary works.

(3) Pumping installations.--Installations (stationery or mobile) for pumping water for irrigation from rivers, streams, drainage channels, etc.

(4) Tanks and channels.-- These include all types of surface storage and gravity irrigation works. They include extension and improvements of old tanks and channels, as well as the construction of new works and of small dams.

(5) Land improvement works.-- These include all works other than irrigation works, which are designed either to bring uncultivated land under cultivation (not by the use of tractors) or durably or permanently increase the average annual yield of cultivated land. Land improvement works are divisible into the following sub-classes:-

(i) Drainage works, including measures for the control of torrents.

(ii) Contour bunding works.

(iii) Clearance and reclamation (except by mechanical means).

(iv) Use of standard dry farming methods.

Clearance levelling, field bunding, terracing, removal of deep rooted weeds and grasses, water hyacinth, reclamation of Khar and Usar land and similar measures are included in the list of these sub-categories.

(6)PRIVATE WORKS AND PUBLIC WORKS. - These schemes provide either for the execution of public works or the ~~recurring schemes are~~ rendering of assistance to agriculturists for construction of private works of any of the foregoing classes.

II. Intensive Cultivation (Supply) Schemes.-- Supply or recurring schemes are those which provide for the supply and distribution of the following commodities for increasing food production:--

A. Manures and fertilizers--

(i) Compost including manufacture and distribution of compost.

(ii) Oil cakes.

(iii) Superphosphate, bonemeal and other phosphatic fertilizers.

(iv) Sulphate of ammonia, where its distribution is uneconomical in terms of additional food production (as explained hereafter).

(v) Other manures such as fish manures, green manure and the like.

B. Improved Cereal Seeds.-- A subsidy equal to 20 per cent of the total will be given by the Central Government for seed-multiplication schemes. With regard to seed distribution the Provincial Government will be entitled to a subsidy if the cost of multiplying and distributing the improved seed is more than 10 per cent of the market price of the ordinary grain. The portion eligible for a subsidy on the usual basis will be determined in the following manner:-

Cost of seed production and distribution minus (price of ordinary foodgrain plus 10 per cent).

III. INTENSIVE CULTIVATION (SERVICE) SCHEMES. -- This category will include all staff directly and wholly engaged on Intensive Cultivation Schemes, including their training for particular intensive cultivation work. Statistical staff exclusively employed on Intensive ~~Sch~~ Cultivation Schemes will also be eligible for a subsidy. There would be no objection to employing this staff for general statistical work also, if this could be done without prejudice to intensive cultivation work, but the subsidy payable by the Government of India will, in that case, be paid on the basis of a proportionate cost assessment. While sending any scheme for employment of statistical staff for intensive cultivation ~~it~~ it should be clearly stated whether the staff will be employed for general statistical work and on what basis the division of the cost is assessed.

Regarding staff requirements for Intensive Cultivation Schemes, the staff should be related to and included in each Intensive Cultivation Scheme, as far as possible. The requirements of the headquarter staff may, however,

be indicated separately, if necessary. A complete statement of staff required for all the Intensive Cultivation Schemes in a year should also be sent for purposes of record.

IV. INTENSIVE CULTIVATION (MISCELLANEOUS) SCHEMES.-- These include schemes--primarily for--

(a) Measures other than those mentioned in categories I and II for increasing the yield of food-crops, e.g. pest control measures, and

(b) measures for preventing decrease of food production otherwise imminent, e.g, making available seeds other than improved seeds, iron and steel for manufacture of implements at places and times where shortage prevails.

Food crops shall mean and include the following:-

(1) All cereals.
(2) Grants and pulses.
(3) Root crops.
(4) Fish.
(5) Potatoes and sweet potatoes.

The definitions and classifications given above are subject to the following conditions:-

(a) Intensive Cultivation Schemes shall be confined to selected areas in each Province. Each Provincial Government will select an area equal to about 20-25 percent of its total cultivated area keeping in view of the following desiderata:-

(i) The availability of irrigation facilities or any assured rainfall.

(ii) The suitability of soil.

(iii) The possibility of enlisting the co-operation of non-official workers.

(b) In the areas so selected all or as many as necessary of the items of intensive cultivation mentioned above shall be applied. For example, where irrigation facilities are available, schemes for the multiplication of improved seed, for the preparation and distribution of compost, for the application of fertilizers and green manuring etc., should be undertaken in order to ensure the maximum yields. In the remaining areas where there are no irrigation facilities or assured rainfall, other schemes, e.g., construction of surface wells, tube wells, tanks and similar minor irrigation works can be taken up as part of the Intensive Cultivation Programme.

(c) Schemes which are not likely to yield results by the end of 1951 will not qualify as Intensive Cultivation Schemes.

V. FISHERIES DEVELOPMENT SCHEMES.-- This category will include the schemes for--

(1) Seed distribution centres,
(2) indigenous fishing craft and tackle,
(3) salt, and
(4) staff employed exclusively in connexion with Fisheries Schemes eligible for subsidies.

The Government of India will also provide loans to the Provincial Governments for making advances to private corporations for fisheries development on the conditions stated in paragraph VI(f) below.

VI. BASIC OF FINANCIAL ASSISTANCE--A. Grants--(a) The general principal on which grants will be given by the Government of India is that it will bear 50 per cent of the expenditure to be incurred by the Provincial Governments on any particular scheme. This prm percentage will be 66-2/3 per cent for Assam and Orissa for the present. As regards the centrally administered areas, the grant for Coorg will be 75 per cent; in the other centrally administered areas the entire expenditure will be borne by the Central Revenues.

(b) The Government of India desire that in respect of 'Private' schemes that benefit mmx cultivators, the latter should generally contribute 50 per cent of the cost except in the following cases.

(i) In case of schemes of seed multiplication and distribution the position has been explained in item II(a) above.

(ii) No subsidy shall be given by the Central Government for the use of sulphate of ammonia, the advantages of which are fully appreciated by cultivator by now. If, however, the price at which sulphate of ammonia is sold is in excess of the procurement price of the extra foodgrain resulting from its use, the difference between the price of sulphate of ammonia and the price of the extra yield will be subsidized on the usual basis. The additional yield should, however, be determined by controlled crop-cutting experiments carried out in the area concerned before a case for subsidy is made out.

(iii) A subsidy at the rate of 100 per cent will be given for green manuring schemes for one year.

(iv) The subsidy on the usual basis will continue to be given for the distribution of phosphatic fertilizers for a period of one year.

(v) Schemes of reclamation of land by means of tractors will not be eligible for subsidy from the Central Government.

(vi) Private minor irrigation works like construction of surface wells, tube-wells, nullahas and tanks, will not be eligible for a cash subsidy, but they will be eligible for an interest-free loan to cultivators and a further incentive in the form of exemption or reduction of land revenue for a certain number of years, provided that the water is used for growing food-crops only. The loss suffered by the Provincial Government arising from the interest-free loan and exemption from land revenue will be subsidised by the Central Government on the usual basis. It is not intended that the value of the concessions should be less than hitherto; only a change in the form of subsidy to be given as contemplated.

(c) While it is for a Province to decide whether a scheme is worthundertaking on the basis of a particular extra yield of foodgrains anticipated; it will mmkx no doubt see to it that schemes which yield very little for a great deal of expenditure are not encouraged.

B. LOANS. - (a) Schemes of a remunerative character should be financed from loans and not from grants. It will be agreed that this is sound finance, as the limited sums available for grants will then be utilized for schemes that cannot pay for themselves, thus ultimately widening the range of intensive cultivation work.

(b) The principle enunciated above should be followed also in the case of partially remunerative works. If, for instance, it is the rule in a Province to consider works that yield 4 per cent as remunerative, and particular work yields 2 per cent ~~as remunerative, and particular work yields 2 per cent~~, then only 50 per cent of the cost of the work is entitled to a grant, the balance being met by loan. In order to avoid detailed calculations, gross figures may be taken, capitalization being made at 20 times the gross revenue. The method of working out will then be to deduct this capitalized figure from the total cost of the scheme and treat the balance as entitled to a grant from the Government of India.

(c) Cost of capital equipment like machinery is not entitled to a grant. This is because such equipments become part of Provincial assets. The working cost of such equipment, if the work is directed to food production is, however, entitled to a grant. It will be permissible to include a reasonable figure of capital depreciation in working costs.

(d) Loans will also be available to Provincial Governments for advancing loans to agriculturists for their private minor irrigation works.

(e) The capital expenditure involved in the purchase of agricultural machinery, motor vehicles for transport of manure sludge, etc., and machinery for composting of urban refuse, or sludge or sewage, etc., can be financed by the Provincial Government out of a loan from the Central Government. Similarly, expenditure on acquisition of land for constructing compost pits can also be financed from loan.

(f) Loans required by the Provincial Government for financing private companies in fisheries development will be granted provided that

(i) the assets of the corporation were enough to justify loans;

(ii) the Provincial Governments were satisfied that the management of the corporations was on proper lines;

(iii) the corporations accepted necessary and reasonable conditions for marketing, as the Provincial Governments might lay down; and

(iv) the required amount is within the overall block amount of loans provided for development for each Province for 1949-50.

(g) For the sake of convenience it is suggested that all requirements of loans for intensive cultivation should be consolidated in one application and the Government of India approached once in the beginning of the financial year for a single loan out of the block development amount earmarked for the Province.

VII. PROCEDURE FOR FRAMING SCHEMES AND OBTAINING SANCTION. -- Provinces will fix targets of additional production until the end of calendar year 1951.

This target will be split up in three ways:-

(a) By reference first to permanent (works) schemes and recurring (supply) schemes and then to each kind of scheme;

(b) by reference to each crop, viz., khariff and rabi in each year; and

(c) by reference to the means of production, i.e., availability of materials required for the implementation of the schemes.

These documents,as a whole, should be made available to the Government of India, as far as possible, before fifteen days of the commencement of the financial year to which the schemes relate. Although the Government of India would not go very much in details in checking up the schemes except in the case of staff requirements they would like to examine each scheme in order to satisfy themselves.

(a) whether the scheme falls within the accepted definition of Intensive Cultivation Schemes;

(b) whether loans (and not grants) are asked for in case of schemes which should properly be financed from loans only,

(c) whether subsidy is asked on the accepted basis, in case of schemes eligible for subsidies; and

(d) whether the scheme is, in general, technically and economically sound. Individual schemes requiring sanction should be sent in a pro forma, which will be forwarded hereafter. The schemes should be sent under the following main headings--

I. Permanent--

(a) Irrigation schemes.
(b) Land improvement schemes.

II. Recurring--

(a) Seeds multiplication and distribution.
(b) Manuring schemes including compost.
(c) Miscellaneous schemes like staff, plant protection, fertilizers, etc.

The revised rules for Intensive Cultivation Schemes have been framed with the sole object of making the country self-sufficient in the matter of foodgrains by the end of 1951. Periodical reports of the progress achieved are, therefore, very essential for the implementation of the plan.

The Provincial Governments should, therefore, send a detailed half-yearly report on the working of the plan after each of the two (khariff and rabi) crops are harvested. The first report in respect of the rabi crop should be for the period from 1st January to 30th June and the second for the kharif crop should be from 1st July/31st December./ 45

A pro forma for the submission of these progress reports will follow shortly.

(True copy)

R Thengai 21.4

KRVD.14.11. OFFICE ASSISTANT, M.R.O.

11/4/53